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August 28, 2007

Docket Control – Docket No. E-01345A-07 -The Honorable Mike Gleason and Commission Members Arizona Corporation Commission 1200 W. Washington Phoenix, AZ 85007

> RE: Arizona Public Service Implementation Plan Docket No. E-01345A-07-0468

Arizona Corporation Commission
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Dear Chairman Gleason and Commission Members,

On July 24th of this year, the Commission approved the AEPCO "Implementation Plan", that included a "Solar Electric Resource" (SEECOT™) i.e. a solar thermal cooling system, that will reduce the "intake air" temperature of AEPCO's gas turbine and thereby add generating capacity, while reducing the fuel consumption.

SEECOTTM, (Solar Energy Enhanced Combustion Turbine) can also replace generating capacity, that is routinely provided by inefficient "duct burners", prevalent in most if not all of the numerous Arizona "Combined Cycle" plants and is the main reason for the high cost of "peaking power.

While it is true, that APS could emulate AEPCO by installing such systems at its own power plants, the recent RFP process excluded the participation of its own assets.

We therefore recommend, that the Commission in its final order relative to APS's "Implementation Plan", permit the Company to include such solar energy related power augmentation systems, at its own fossil fuel fired power plants which, by reducing gas consumption would reduce the cost of electricity for its rate payers.

Sincerely.

Robert C Paladino President and CEO AZ CORP COMMISSIO

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